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COMMITTEE ON THE BUDGET WASHINGTON, DC 20510-6100

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February 8, 2018

The Honorable William B. Long Administrator Federal Emergency Management Agency 500 C Street SW Washington, DC 20472

Dear Administrator Long:

I am writing to request more information about two contracts issued last fall by the Federal Emergency Management Agency (FEMA) that were the subject of recent news articles.

As you are no doubt aware, a February 6, 2018, *New York Times* article reported on a FEMA contract with Tribute Contracting LLC to deliver 30 million meals to Puerto Rico after Hurricane Maria. According to the report, Ms. Tiffany Brown, the company's owner and only employee, had "no experience in large scale disaster relief". Nevertheless, on October 3, 2017, FEMA awarded Tribute a \$156 million contract to provide these meals. The article further reports that FEMA terminated the contract on October 19, 2017, because Tribute had delivered only 50,000 meals when 18.5 million were due. Moreover, the article notes that the meals that were delivered had been packaged incorrectly. Even more disturbing are reports that prior to the award of this contract, five other Tribute government contracts were terminated for failure to perform.

This does not appear to be the only case in which FEMA has awarded a contract to a company that could not fulfill its end of the bargain. An Associated Press (AP) article published in November 2017 reported that FEMA awarded a \$30 million contract to Bronze Star LLC for emergency tarps and plastic sheeting that were never delivered. Like Tribute, Bronze Star lacked experience in large-scale disaster recovery. It had never delivered tarps or plastic sheeting; in fact, the company had existed for only two months before it received the contract. Although the AP reports that FEMA never actually paid Bronze Star LLC^[5], this case, like Tribute, raises serious questions about FEMA's contract-award practices.

The above information gives the impression that FEMA has not properly vetted some of the companies that receive contracts, and therefore may have wasted millions of taxpayer dollars, while simultaneously denying services to citizens in need of them. Tribute is reportedly seeking a \$70 million settlement as

^{[1] &}quot;FEMA Contract Called for 30 Million Meals for Puerto Ricans. 50,000 Were Delivered," *The New York Times* (February 6, 2018).

^[2] Id.

^[3] Id

^[4] AP Exclusive: Big Contracts, No Tarps for Puerto Rico, The Associated Press (November 28, 2017).

^[5] *Id*.

Taxpayers have a right to expect more responsible stewardship of their hard-earned dollars. To help prevent situations like these from happening again, I am requesting that FEMA answer the following questions:

- 1. How does FEMA vet its contractors? Are procedures in place to identify and vet contractors before a natural disaster hits, or does the search only begin after a natural disaster has occurred?
- 2. What procedures does FEMA have in place to prevent companies that are incapable on delivering on contracts from being awarded such contracts? What processes are underway to review and update such procedures to prevent future instances such as the awarding of the Tribute and Bronze Star contracts?
- 3. Prior to the award of the Tribute contract, was FEMA aware that the company had five other prior government contracts terminated? If not, why not? If so, why was the contract awarded anyway?
- 4. Did FEMA pay any part of the contract to Tribute? If so, how much, if any, of that money does FEMA plan to recoup?
- 5. Did previous hurricanes overwhelm FEMA and other contractors to a degree that options were limited to provide the needed services here?
- 6. How do contract mistakes of this sort cause delays in delivering aid to the needy after natural disasters? How did FEMA supply the needed aid once it terminated the contracts with Tribute and Bronze Star? How much cost and delay was added by the need to find a replacement?

To benefit from your responses to the above as Congress begins the fiscal year 2019 budget process, I respectfully ask that such responses be provided before March 15, 2018. If you have any questions about this request, please have your staff contact Paul Vinovich on the Budget Committee Republican staff at 202-224-0642.

Thank you in advance for your prompt attention to this matter.

Sincerely,

Michael B. Enzi

Chairman

Committee on the Budget

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